VI. W claim:

1.   A computer-aided method for managing cash flows for a transaction, the method including the steps of:

receiving respective descriptions of risks;

receiving statistical assumptions for said risks;

receiving financial assumptions for said risks;

calculating, from the descriptions and the assumptions, expected cash flows corresponding to said risks for time periods;

receiving actual cash flows information from occurrence of events corresponding to said risks;

accounting for a first party to the transaction owing the expected cash flows to a second party to the transaction;

accounting for the second party owing the actual cash flows to the first party; and

computing a net settlement, for each of said time periods, between the parties in the transaction to manage the actual cash flows and the expected cash flows.

2.   The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from respective insurable risk coverage of individuals.

3.   The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with respective contractual insurable risk exposure to individuals.

4. The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from corporate-owned life insurance coverage of individuals.

5. The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from bank-owned life insurance coverage of individuals.

6. The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with corporate contractual benefit payment exposures to individuals.

7. The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures in a reinsurance treaty.

8. The method of claim 1, wherein the step of calculating expected cash flows includes the step of processing said descriptions and said assumptions in calculating timing and amounts of benefits associated with said occurrence of events for the risks; and wherein the step of computing the net settlement includes the step of inputting pricing data reflecting said transaction as an exchange between said parties.

9. The method of claim 8, wherein the step of inputting pricing data includes the step of:

inputting a definition of a relationship between the expected cash flows and the actual cash flows reflecting a symmetric exchange of non-proportional contractual exposures.

10.   The method of claim 8, wherein the step of inputting pricing data includes the step of:

inputting a definition of a relationship between the expected cash flows and the actual cash flows reflecting a symmetric exchange of proportional contractual exposures.

11.   The method of claim 8, wherein the step of inputting pricing data includes the step of:

inputting a definition of a relationship between the expected cash flows and the actual cash flows reflecting an asymmetric exchange of proportional and non-proportional contractual exposures.

12.   The method of any one of claims 2-6, further including the step of processing responsive to data reflecting securitizing of funding for the contractual exposures.

13.   The method of claim 12, further including the step of calculating the impact of the transaction on the securitizing.

14.   The method of claim 13, further including the step of calculating the impact of the transaction on traunches for the securitizing.

15.   The method of claim 14, further including the step of determining an effect of said transaction on a securitization pool.

16. The method of any one of claims 2-7, wherein the step of receiving respective descriptions of risks includes receiving nominal death benefit face amounts for said contractual exposures; and

wherein the step of receiving statistical assumptions includes receiving expected mortality rates; and further including the steps of:

incorporating margins and loadings in developing expected mortality rates for the transaction; and

determining expected timing and expected amount of death benefits using said expected mortality rates and said characteristics of said risks associated with said contractual exposures.

17. The method of any one of claims 2-7, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with at least one member of a group consisting of a plurality of individuals and a group of individuals.

18. The method of claim 17, wherein the step of receiving respective characteristics of risks associated with said member of the group includes receiving at least one characteristic from a group consisting of age, sex, mortality rating, morbidity rating, compensation, position, job class, and years of service.

19. The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement.

20.   The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement associated with insurable risk coverage of individuals.

21.   The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement associated with insurable risk exposures to individuals.

22.   The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement associated with a reinsurance treaty.

23.   The method of any one of claims 19-22, wherein the step of receiving financial assumptions includes receiving at least one of a group consisting of a discount rate, an expense, and a fee.

24.   The method of any one of claims 19-22, further including the step of updating at least one of a member of a group consisting of said, descriptions, statistical assumptions, financial assumptions, and actual cash flows information from the occurrence of at least one of said events.

25.   The method of claim 16, wherein the step of receiving actual cash flows information from occurrence of events corresponding to said risks includes receiving information on actual timing and actual amounts of death benefits, respectively for each of said individuals

26.   The method of claim 25, wherein the step of

computing a net settlement further includes

tracking the expected timing and the expected amount of death benefits,

respectively for each of said individuals;

tracking the actual timing the actual amounts of death benefits; and

tracking net settlements for the time periods of the transaction.

27.   The method of claim 16, wherein the step of computing a net settlement

includes forming a historical record of the expected timing and the expected amount of death

benefits, actual timing and information on actual amounts of death benefits, respectively for

each of said individuals, and each said net settlement for each of said time periods.

28.   The method of claim 16, further including the steps of:

providing the second party with documentation of said cash flows; and

illustrating a transaction fee from the second party to the first party, including

illustrating said transaction fee incorporated in the net settlement.

29.   The method of claim 16, further including the step of:

accounting for the first party receiving a fee for early termination of transaction.

30.   The method of claim 16, further including the step of receiving data

identifying the second party as an entity having ownership rights to contractual exposures on

more than one life of said individuals.

31.   The method of claims 16, further including the step of receiving data

identifying the transaction as pursuant to a contract binding the parties.

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32. The method of claim 31, further including the step of receiving data identifying the transaction as having a portion renewable on a period-to-period basis.